

DEPARTMENT OF WORKFORCE DEVELOPMENT  
DIVISION OF WORKFORCE SOLUTIONS  
ADMINISTRATOR'S MEMO SERIES

NOTICE 02-16

ISSUE DATE: 07/12/2002  
DISPOSAL DATE: Ongoing

RE: Transfer of the Food Stamp  
Program and Income  
Maintenance Administration  
Responsibilities from DWD to  
DHFS

To: County Department of Human Services Directors  
County Department of Social Services Directors  
County Economic Support Managers/Supervisors  
Tribal Chairpersons/Human Services Facilitators  
Tribal Economic Support Directors

From: Peggy B. Handrich, Administrator /s/  
Division of Health Care Financing  
Department of Health and Family Services

Ronald F. Hunt, Deputy Division Administrator /s/  
Division of Workforce Solutions  
Department of Workforce Development

## PURPOSE

Wisconsin Act 16, the Budget Bill for the 2001-2003 biennium, transferred funds, positions and authority for Medicaid eligibility from DWD to DHFS effective 7-1-01 and transferred responsibility for the Food Stamp program to DHFS effective 7-1-02. DHFS and DWD developed a transfer plan for Food Stamps and Income Maintenance that has now been approved by the Joint Committee on Finance.

As a result of these shifts in program responsibility and funding, DHFS is the state agency responsible for Income Maintenance (IM) administration as of July 2002. The purpose of this memo is to describe the changes and identify points of contact on issues involving the administration of the IM programs.

The service delivery system for eligibility determination and benefit maintenance for the federal entitlement programs is built upon the functions performed at the local agencies and covered under the terms of the IM contract; the support of the CARES system for eligibility determination, case processing and case management functions; the services provided by vendors for benefit issuance; and the functions performed by the state agencies. The cost of this service delivery system now exceeds \$100 million per year. There has been an increase in participation in the federal entitlement programs over the past several years, increasing the cost pressures on this delivery system.

With these state-level administrative changes we hope to streamline the administration of the entitlement programs in a way that will improve customer service, minimize local agency workload and use administrative funding as wisely as possible. Placing responsibility for both programs in one department will increase the opportunities to align Food Stamp and Medical Assistance eligibility policies and foster coordination between the Food Stamp program and other nutrition programs administered by DHFS. The recent reauthorization of the Food Stamp program in the 2002 Farm Bill will also provide new opportunities to align Food Stamp policies with Medicaid and TANF in order to simplify program administration. All of these activities will help DHFS to achieve a key goal - improving the health status of the people of Wisconsin.

Over the past several years DWD and DHFS have worked with local IM agencies and community-based agencies to make improvements in the service delivery system for the federal entitlement programs. New application options have been introduced that are intended to improve program access and to reduce work at the local level. The expansion of outstations, the option to use a mail-in application form, and the option to conduct redeterminations by mail or phone are all intended to make the current application and review process more responsive to customers and less costly to administer. DHFS is also implementing a new processing option with the SeniorCare program that will be implemented this summer. SeniorCare applications will be sent to a statewide processing center where they will be scanned into the CARES system, with eligibility authorized by state staff.

As these changes in state level responsibilities unfold, DHFS will continue to work closely with the Income Maintenance Technical Advisory Committee of the Wisconsin Counties Human Service Association (WCHSA) and other groups to assure a smooth transition of functions from one state agency to another. DWD and DHFS will establish a new Memorandum of Understanding to cover these new arrangements and other transition issues associated with these changes in responsibilities.

Under the terms of the Food Stamp/IM transfer plan:

- DWD will continue to administer the Food Stamp Employment and Training program (FSET).
- The two departments will continue to jointly manage the CARES system, with administrative responsibility placed with the Administrative Services Division of DWD. A more formal relationship between the state and local agencies will be established by creating a new subcommittee for the Income Maintenance Advisory Committee to focus on CARES and other Information Technology issues.
- The unit that handles collection of overpayments for Aid to Families with Dependent Children (AFDC), Wisconsin Works (W-2), Child Care benefits, Food Stamps and Medicaid will stay in DWD and continue to support all of these programs.

- The Partner Training unit will also stay in DWD and continue to support both employment and IM programs.
- Regional office staff in the DWD Program Operations Bureau will not work on IM programs after July 2002. Their responsibilities will be shifted to DHFS staff based in Madison and Milwaukee.
- The CARES Call Center and the Fraud/Program Integrity unit now in DWD will move intact to DHFS and continue to provide services to both employment and IM programs.

## **IM CONTRACTS**

The 2002 IM contracts with counties and tribal agencies were jointly developed and signed by both DWD and DHFS. For 2003 these contracts will be developed and administered by DHFS. The plan is to incorporate the requirements for eligibility management for Food Stamps and Medicaid into the current DHFS – county and DHFS – tribal contracts as a new contract appendix. Preliminary IM allocations have been distributed in Administrator's Memo 02-13 dated June 10, 2002. Updates to the contract language are being developed in consultation with the WCHSA Economic Support Technical Advisory Committee.

## **DHFS organization and contacts**

DHFS has established a new Bureau of Income Maintenance Administration in the Division of Health Care Financing on July 1, 2002 to house the positions and functions moved from DWD. The six months from July to December will be used to develop a formal reorganization plan to take effect in 2003. This provides lead-time to implement SeniorCare, assess and plan for new Food Stamp management issues including those associated with the reauthorization of the Farm Bill, and to consider opportunities to improve DHFS services to both IM agencies and to community-based agencies. We welcome your advice as we proceed.

### **Contacts:**

Medicaid eligibility management: Cheryl McIlquham, Director of the Bureau of Health Care Eligibility in the Division of Health Care Financing at (608) 261-6877.

Food Stamp eligibility management and Income Maintenance administration: Susan Wood, Director of the Bureau of Income Maintenance Administration in the Division of Health Care Financing at 608-261-4958.

cc DHFS Division Administrators and Office Directors